



Health Services
LOS ANGELES COUNTY

April 19, 2010

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D. 
Interim Director

SUBJECT: **IN-HOME SUPPORT SERVICES WORKERS' BENEFIT
PLAN OFFERED BY COMMUNITY HEALTH PLAN**

This is to notify you that the County of Los Angeles, Department of Health Services (DHS) dba Community Health Plan (CHP) successfully obtained approval from the Department of Managed Health Care (DMHC) to reclassify the In-Home Support Services (IHSS) Workers benefit plan from a commercial product line category to a government funded program.

BACKGROUND

In 2002, the DMHC granted approval for CHP to add the Personnel Assistance Services Council (PASC) – SEIU Homecare Workers Health Care Plan as a commercial product line to its Knox-Keene license. The benefit plan was offered to qualifying IHSS Workers and was initially categorized as a “commercial employer group health plan”.

IHSS is a statewide program administered locally by the counties. The IHSS program is funded through government matching funds of 50% Federal (Medicaid Administration Funds), 32.5% State and 17.5% County (paid out of County Hospitals' budgets). The County Department of Public Social Services (DPSS) administers the IHSS program in Los Angeles County. The IHSS workers are hired by the individual IHSS recipients to provide services authorized by the County's IHSS Social Workers based upon an assessment of service need in accordance with State regulations. Payments to the IHSS workers are issued by the State's Controller's office. In Los Angeles County, a public health authority known as the Personal Assistance Services Council (PASC) has been established that serves as the employer of record mainly for collective bargaining purposes for the IHSS workers and for health benefits administration. They also serve as a "Registry" for IHSS recipients who need access to a listing of eligible workers.

Under a commercial employer group health plan product line, contracted providers for the IHSS product line expect capitation rates to be comparable with major commercial health insurers. In addition, CHP was expected to comply with various regulatory requirements that are applicable to large employer group plan. CHP has to submit an exemption request to regulatory agencies whenever a requirement does not apply to the IHSS product line, a time consuming and unnecessary exercise. Since the IHSS benefit offering is a government sponsored program, CHP pursued the product line

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reclassification from commercial to government-funded program with the DMHC, which was approved on January 27, 2010.

If you have any questions, or need additional information regarding this matter, please contact me or Carol Meyer, Chief Network Officer at (213) 240-8370.

JFS:TL:np

c: Chief Executive Office
Acting County Counsel
Executive Office, Board of Supervisors
Director of Public Social Services